

## **GENERAL FUND**

To budget and account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

The General Fund is the repository for revenues and expenses that provide traditional government services such as fire protection, police protection, street repair, park maintenance and recreational facilities. The largest source of revenue is the Gross Receipts Tax for this particular fund.

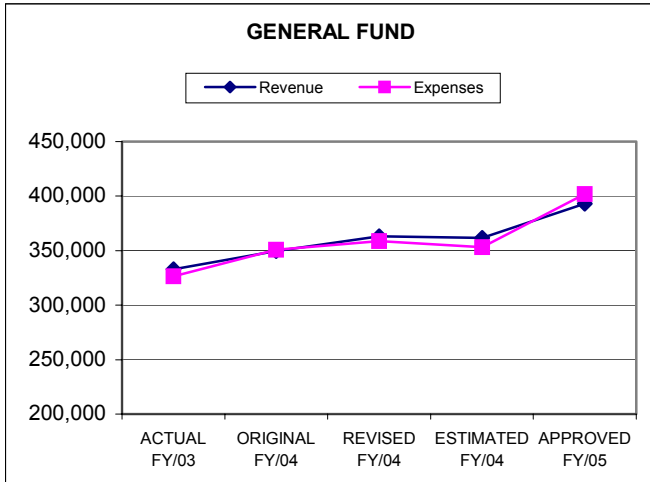
The City of Albuquerque now maintains 8.3% of the General Fund appropriations as a reserve to protect against changes in the economy, unanticipated fiscal needs or emergencies. If it is necessary to use some portion of that reserve in any given year, the budget for the following year reestablishes the appropriate amount.

**General Fund Resources, Appropriations, and Fund Balances Over Time**

Fiscal Year (\$000's)	Beginning Balances	Total Resources	Total Appropriations	Total Adjustments/Reserves	Available Balances
FY/03 Actual	36,599	332,910	326,384	(28,260)	14,865
FY/04 Original	43,125	349,566	350,806	(30,489)	11,396
FY/04 Revised	43,125	363,190	358,742	(32,209)	15,364
FY/04 Estimated	43,125	361,703	353,241	(33,184)	18,403
FY/05 Budget	51,587	393,124	401,803	(40,564)	2,344

## GENERAL FUND- 110

Positive growth in the General Fund operating budget continues with the need to service a growing city. The capital program continues to push up expenditures, with the opening of facilities like Albuquerque Museum expansion, Erna Ferguson Library, the Period Farm at the BioPark, Taylor Ranch Community Center, and LaMesa and Manzano Mesa Child Development Center. New services like Rapid Bus Transit and local 311 service will be added in FY/05. Additionally, debt service demands placed an increasing burden on the General Fund in FY/05 as did employee health and other insurance costs.



- The Quarter Cent Public Safety Tax was approved by voters and adds \$27.6 million in new FY/05 revenue. The funding supports \$24.5 million in appropriations to increase the number of sworn police officers, better equipment for police and firefighters and expand social services to address substance abuse and youth gangs.
- Total General Fund reserves are \$40 million and include a reserve of \$33.5 million or 1/12<sup>th</sup> of the total appropriation level in the event revenue falls unexpectedly or emergencies arise. Another \$2 million is in a Special Reserve to provide a buffer in FY/06. Other reserves include \$1.5 million for the centralized processing facility, \$1.5 million from an IRB settlement for economic development initiatives, \$600 thousand for the Tricentennial and \$975 thousand to purchase nuisance abatement property.

A complete analysis of changes in both revenues and appropriations follows.

(\$000's)	ACTUAL FY/03	ORIGINAL BUDGET FY/04	REVISED BUDGET FY/04	ESTIMATED ACTUAL FY/04	APPROVED BUDGET FY/05	APP 05/ EST ACT 04 CHG
<b>RESOURCES:</b>						
Recurring Revenues	329,710	346,791	354,169	353,231	390,438	37,207
% Change	4.9%	5.2%	2.1%	-0.3%	10.5%	
Non Recurring Revenues	3,200	2,775	9,021	8,472	2,686	(5,786)
Total Current Resources	332,910	349,566	363,190	361,703	393,124	31,421
Beginning Fund Balance	36,599	43,125	43,125	43,125	51,587	8,462
<b>TOTAL RESOURCES</b>	<b>369,509</b>	<b>392,691</b>	<b>406,315</b>	<b>404,828</b>	<b>444,711</b>	<b>39,883</b>
<b>APPROPRIATIONS:</b>						
Recurring Expenditures/Appropriations	324,829	347,821	348,455	344,871	385,768	40,897
% Change	2.3%	7.1%	0.2%	-1.0%	11.9%	
Non Recurring Expenditures/Appropriations	1,555	2,985	10,287	8,370	16,035	7,665
<b>TOTAL APPROPRIATIONS</b>	<b>326,384</b>	<b>350,806</b>	<b>358,742</b>	<b>353,241</b>	<b>401,803</b>	<b>48,562</b>
<b>FUND BALANCE PER CAFR</b>	<b>43,125</b>	<b>41,885</b>	<b>47,573</b>	<b>51,587</b>	<b>42,908</b>	<b>(8,679)</b>
ADJUSTMENTS TO FUND BALANCE	(502)	(678)	(486)	(486)	(486)	0
TOTAL RESERVES	27,758	29,811	31,723	32,698	40,078	7,380
<b>AVAILABLE FUND BALANCE</b>	<b>14,865</b>	<b>11,396</b>	<b>15,364</b>	<b>18,403</b>	<b>2,344</b>	<b>(16,059)</b>

## GENERAL FUND REVENUE ESTIMATES FOR FY/05

General Fund revenues for FY/05 are expected to increase 8.7% to \$393.1 million with \$2.7 million in non-recurring receipts. This represents an increase of \$31.4 million above the current estimate of FY/04 revenues. The increase largely is due to the new Public Safety Quarter Cent Gross Receipts tax (GRT) that accounts for \$27.6 million. Total GRT revenues increase by \$32.8 million or an increase of 13.2%. Not including the quarter cent, the growth rate for GRT is much lower at only 2.1%. The growth rate is low in part due to large one-time revenues in FY/04. The recurring portion of GRT grows at 3.4%.

Local taxes other than gross receipts are about \$1.1 million above the estimated FY/04 revenues. Property tax revenues are expected to increase by 3% or \$730 thousand, due to growth and increased valuation as allowed under yield control. Recurring franchise tax revenues should be up \$225 thousand. This accounts for a moderate growth in the franchises. Franchise revenue is somewhat limited by continued weakness in the telecommunications industry and some relief from the current very high natural gas prices. Payments in lieu of taxes (PILOT) are expected to increase about \$195 thousand from growth in enterprise funds. This growth is limited by the creation of the Albuquerque-Bernalillo Water Utility Authority and changes in how PILOT is calculated. For FY/05 the Authority is expected to pay a 4% franchise fee that will account for the Authority's PILOT.

Intergovernmental assistance other than State-shared gross receipts tax revenues increases by

\$254 thousand with expectation of a full year of revenue for the state shared corrections fees. Other shared revenues for gasoline and tobacco are expected to remain flat.

Charges for services show a decline of \$767 thousand. This is brought about by the loss in revenues of \$1.4 million as the Convention Center management is contracted out and revenues are not directly accounted for in the budget. Increases that partially offset this decline are increased attendance at the Zoo with the opening of the Animals of Africa exhibit and in sports fees for adult softball and baseball as the closing of the Sportplex will increase demand for City league play.

Charges for internal services remain flat as the City has reduced its direct provision of office services, building alterations, and surveying and engineering inspections to lower levels that will be maintained by staff. Indirect overhead decreases by \$207 thousand as there is a \$180 thousand decrease due to the creation of the Water Utility Authority and limitations on what services the City can charge to the Authority. Revenue for CIP funded positions increases by \$527 thousand. The increases are for projects including the Tingley Beach renovation, the utility billing system and the 311 system. Interfund transfers are expected to decline by \$93 thousand. Changes include a decrease of \$115 thousand due to the Water Utility Authority's decision to phase out the funding of environmental service personnel involved in monitoring water pollution, and \$133 thousand transfer from Lodger's tax to fund the tourism strategy.

## SIGNIFICANT REVENUE CHANGES FOR FY/05

Dollars in Thousands

### GROSS RECEIPTS TAX

❖ Growth from FY/04 estimate	\$5,213
❖ Growth from imposition of public safety tax	\$27,600

### LOCAL TAXES

❖ Increase in franchise revenues	\$174
❖ Property tax growth	\$730
❖ PILOT growth	\$195

### **PERMITS AND LICENSES**

- ❖ Building permits fees expected to decline by 5% (\$440)

### **CHARGES FOR SERVICES**

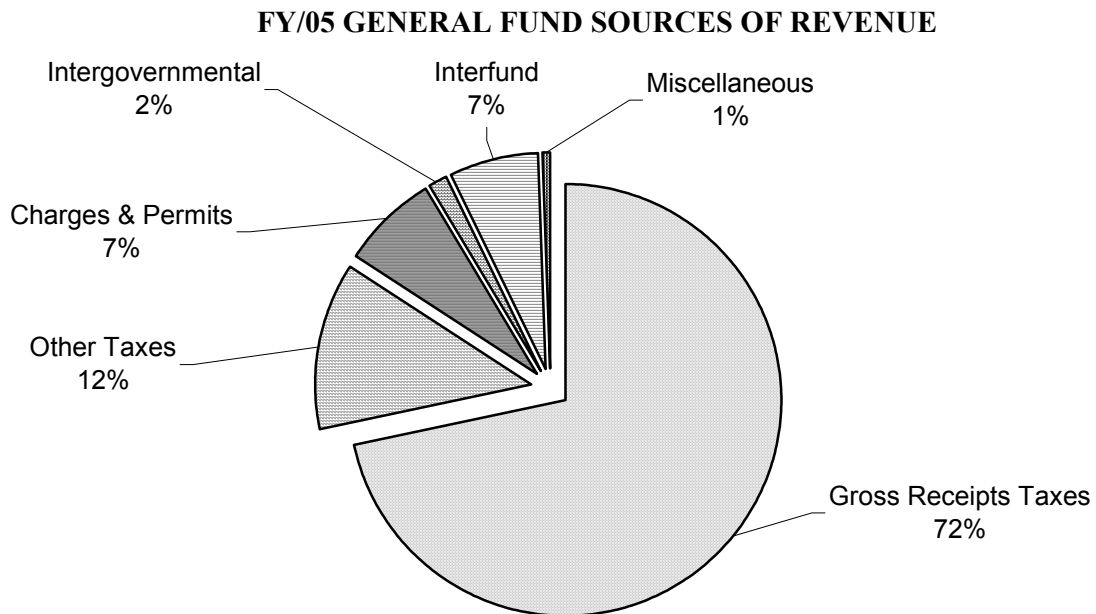
- ❖ Reclassification of revenues for private operation of Convention Center (\$1,411)
- ❖ Increased attendance for the new Animals of Africa exhibit \$283
- ❖ Added payment for library services by county \$217
- ❖ Legal fees \$109
- ❖ Increases in league play due to closure of Sportsplex \$158
- ❖ Decrease in museum revenues from one-time exhibit (\$111)

### **CIP FUNDED POSITIONS**

- ❖ Information services projects \$513
- ❖ Public Works street programs, due to defeat of G.O bond election (\$449)
- ❖ Quarter Cent transportation (\$98)
- ❖ Bio Park CIP \$355
- ❖ Special Cultural Projects \$388

### **INTERFUND TRANSFERS**

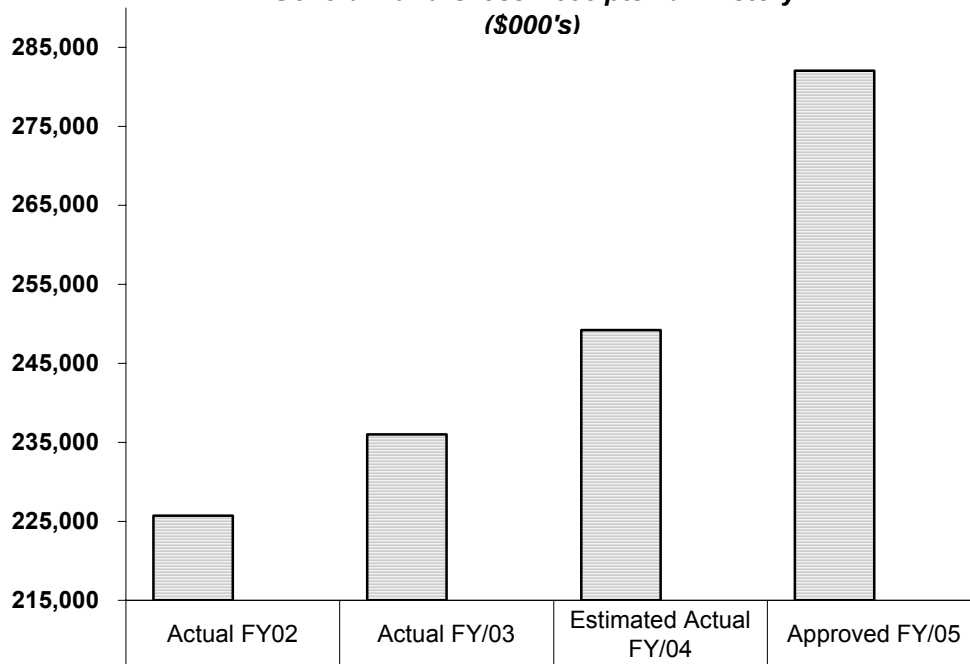
- ❖ Water Utility Authority funding of Environmental Services Positions (\$115)
- ❖ Funding of tourism strategy \$133



**GENERAL FUND SOURCES OF REVENUE FY/03-FY/05**  
(\$000's)

Category	Actual FY/03	Share of Revenue	Estimated Actual FY/04	Share of Revenue	Approved FY/05	Share of Revenue
Gross Receipts Tax	236,013	71%	249,230	69%	282,043	72%
Local Taxes	39,568	12%	47,627	13%	48,726	12%
Licenses & Permits	12,279	4%	12,398	3%	12,017	3%
Intergovernmental	4,521	1%	5,394	1%	5,331	1%
Charges for Service	17,074	5%	17,075	5%	16,308	4%
Intra-City	20,696	6%	23,755	7%	24,075	6%
Miscellaneous	1,249	0%	4,147	1%	2,498	1%
Transfers	1,509	0%	2,077	1%	2,126	1%
<b>Total</b>	<b>332,909</b>	<b>100%</b>	<b>361,703</b>	<b>100%</b>	<b>393,124</b>	<b>100%</b>

**General Fund Gross Receipts Tax History**  
(\$000's)

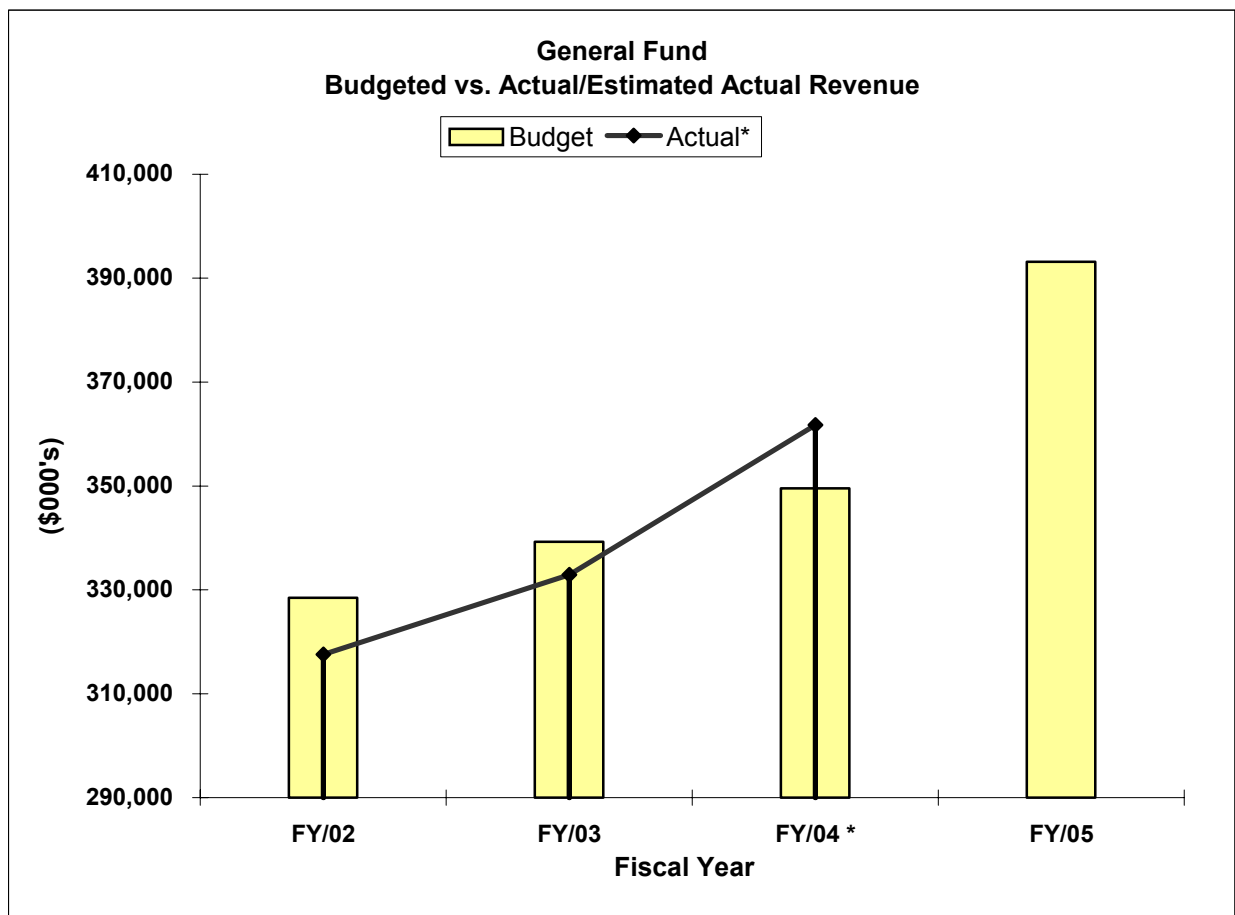


□ GRT	225,723	236,013	249,230	282,043
■ % of GRT as % of Total GF Revenue	71.08%	70.89%	68.90%	71.74%

## PRIOR YEAR REVENUE CHANGES

Revenues for FY/04 are estimated at \$361.7 million, up \$12.1 million from the approved FY/04 budget. The biggest change was increasing GRT revenue by \$9.2 million in the Five-Year Forecast. \$4 million of the revenue is expected to be one-time from enhanced compliance efforts by the State. The economy has seemingly recovered from the declines in FY/02, though as with the national economy, employment growth has been limited. Other strengths are from franchises which were adjusted upward \$946 thousand from the original budget. The primary source of this revenue is natural gas where continued high gas prices have pushed up franchise revenues. Cable franchise revenues also

have been strong, with continued growth in the number of customers and higher rates charged to consumers. Building permits continued to be strong and revenues were adjusted up \$1.8 million, to the actual amount received in FY/03. Charges for services were reduced by \$767 million from the approved budget primarily due to contracting the management of the Convention Center. In total, charges for service remain at the same level as in FY/03. Indirect overhead was reduced from the approved budget by \$395 thousand due to changes in capital indirect. Finally, miscellaneous revenues increase due to the \$2.2 million IRB settlement.



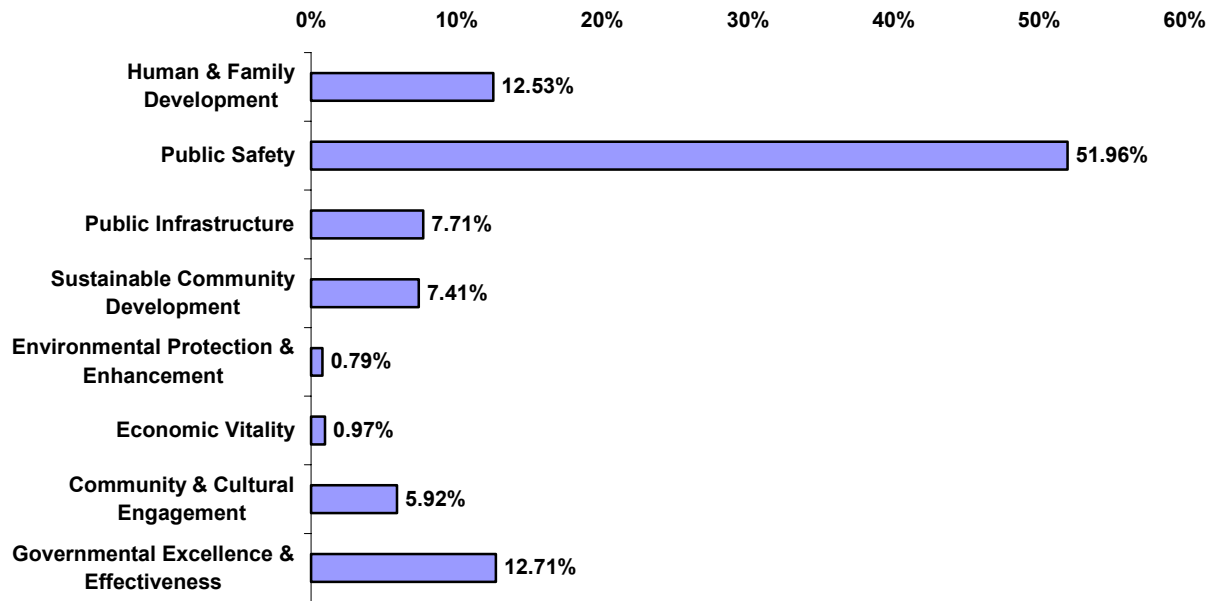
\*FY/04 is Estimated Actual

## GENERAL FUND FY/05 APPROPRIATIONS

This is the fifth year that appropriations have been aligned with the City's Five-Year Goals for resource allocation and performance measurement. The method of accounting has also been changed to reflect the same alignment of expenses in the audit beginning with FY/01.

The total General Fund appropriation is \$401.8 million. The appropriation is an increase over the FY/04 original budget of \$51 million (14.5%).

### General Fund FY/05 Appropriations By Goal



Goal in Numerical Order (\$000's)		
Human & Family Development	43,380	12.53%
Public Safety	179,906	51.96%
Public Infrastructure	26,697	7.71%
Sustainable Community Development	25,659	7.41%
Environmental Protection & Enhancement	2,741	0.79%
Economic Vitality	3,370	0.97%
Community & Cultural Engagement	20,498	5.92%
Governmental Excellence & Effectiveness	44,008	12.71%
<b>Total</b>	<b>346,259</b>	<b>100.00%</b>

The chart above shows how the GF dollars are divided between the goals. In the GF, Public Safety receives 52%, of total appropriations. The second highest allocation of funds is to Governmental Excellence and Effectiveness at 13% followed by Human and Family Development at 13%. Sustainable Community Development accounts for 7% of the GF, Public Infrastructure receives 7% and Community and Cultural Engagement received 6%.

It should be noted that these percentages are only from the amount of GF monies allocated to the various goals. To determine total resources available for a goal, please see the discussion of total resources and total appropriations in a previous section of this document.

The General Fund approved budget can be examined by department. Comparing the original budget for FY/04 with the approved for FY/05 reveals reorganizations and the impact of the quarter cent public safety tax. Department reorganizations include the elimination of the Convention Center with the new contract for management being placed in the Department of Finance and Administrative Services (DFAS). During FY/04 City facility maintenance and security operations were moved to the newly created

Municipal Development Department. The Fire, Police and Family and Community Services Department budgets not only grew in total appropriation, but also grew as a percent of total General Fund dollars appropriated between FY/04 and FY/05, primarily as a result of the quarter cent public safety tax. The share of total funding going to Cultural Services grew as a result of the size and number of facilities and exhibits coming-on-line. Details can be found in the Department Budgets section of this volume.

General Fund Spending by Department						
Expenditures by Department (\$000's)	Original Budget FY/04	Approved Budget FY/05	Change	% Change	% Share	
					FY/04	FY/05
Chief Administrative Office	5,056	5,361	305	6.00%	1.4%	1.3%
City Support	14,829	16,624	1,726	11.60%	4.2%	4.1%
Convention Center	3,440		-3,440	-100.00%	1.0%	0.0%
Council Services	1,556	1,891	335	21.50%	0.4%	0.5%
Cultural Services	25,007	30,079	5,072	20.30%	7.1%	7.5%
Environmental Health	7,086	8,388	1,302	18.30%	2.0%	2.1%
Family and Community Services	24,056	30,590	6,534	27.1	6.9%	7.6%
Finance and Administrative Services	25,323	17,387	-7,936	-31.30%	7.2%	4.3%
Fire	47,620	58,257	10,637	22.30%	13.6%	14.5%
Human Resources	2,236	2,171	-65	-2.90%	0.6%	0.5%
Legal	6,042	6,247	205	3.40%	1.7%	1.6%
Mayor	524	728	204	38.90%	0.1%	0.2%
Metropolitan Detention Center	19,981	21,541	1,560	7.80%	5.7%	5.4%
Municipal Development		19,345	19,345	-	0.0%	4.8%
Office of Internal Audit	773	1,185	412	53.20%	0.2%	0.3%
Parks and Recreation	19,647	20,032	385	1.90%	5.6%	5.0%
Planning	11,681	12,523	842	7.20%	3.3%	3.1%
Police	92,932	108,504	15,572	16.80%	26.5%	27.0%
Public Works	21,127	20,559	-568	-2.60%	6.0%	5.1%
Senior Affairs	4,374	4,502	128	2.90%	1.2%	1.1%
Transit (Operating Subsidy)	17,516	15,889	-1,627	-9.20%	5.0%	4.0%
<b>Total</b>	<b>350,806</b>	<b>401,803</b>	<b>50,997</b>	<b>14.5%</b>	<b>100.0%</b>	<b>100.0%</b>

## RESERVES

<b>General Fund Reserves (\$000's)</b>	
<b>Total Reserves</b>	<b>40,078</b>
1/12th Operating Reserve	33,457
Quarter Cent -- Centralized Processing	1,500
IRB Settlement	1,546
Tricentennial	600
Nuisance Abatement Properties	975
Special Reserve	2,000

The General Fund is required to maintain an operating reserve equal to one-twelfth of the total appropriation level as a matter of City policy. This standard is more conservative than the State's standard as it includes transfers and non-recurring appropriations, but does not include other reserves. The budget contains \$40 million in total reserves. The operating reserve is set at \$33.5 million in accordance with City policy. The \$1.5 million from Public Safety Quarter Cent Tax revenues is reserved pending a plan for centralized processing of arrestees, which must be developed in cooperation with the Albuquerque Bernalillo County Government Commission. The \$1.5 million IRB settlement reserve was established in FY/04 when a large manufacturer closed an IRB financed facility and

was required to remit a "clawback" to the City. The City recovered \$14.8 million and distributed \$12.6 million to other taxing entities including the state, county, school district, university hospital, ABEC and others. \$700 thousand of the IRB settlement reserve is designated for the Tricentennial celebration as it is a major tourism and economic development opportunity for Albuquerque. Of the total \$700 thousand appropriated for the Tricentennial, \$600 thousand is reserved. \$975 thousand is left unappropriated to acquire two major nuisance properties, one of which has been purchased. A special reserve was established in the committee substitute for R-04-62 to provide a contingency for additional expenses in FY/06.

## SIGNIFICANT GENERAL FUND RECURRING APPROPRIATION CHANGES BY DEPARTMENT (\$000's)

### CAO

- Funding for the City/County Unification election \$250
- Restored 1% reduction \$52
- One position added during FY/04 in the Office of the City Clerk \$40

### CITY SUPPORT FUNCTIONS

City Support Functions is a pseudo department that contains many programs that benefit not just one department or service, but the City as a whole.

- Increase in Dues and Memberships \$113
- Transfer for Vehicle/Computer Replacement Fund \$2,000
- Early Retirement funding is increased and budgeted based on anticipated retirement levels and recent retirement expenditure trends \$565

- Debt service for sales tax and lodgers' tax \$2,100
- Decrease for anticipated City matching funds for operating grants (\$505)

#### **COUNCIL SERVICES**

- Funding to meet increased demand for services \$200

#### **CULTURAL SERVICES**

- Funding for a two day musical festival \$262
- Funding to prepare for the Panda Bear Exhibit \$98
- Botanical Garden Manger, essential for accreditation \$71
- Taylor Ranch Library – funding for additional services hours \$253
- Spanish Exhibits for Tricentennial Celebrations \$127
- Increased funding for Explora \$750
- Balloon Museum – additional personnel and operating costs \$996
- Museum expansion – additional personnel and operating costs \$347
- Erna Ferguson Library – personnel and operating costs \$497
- Animal of Africa – personnel and operating costs \$998
- Period Farm - personnel and operating costs \$194
- Additional funding for community events including Concert Band, Center for the Theatre, Veteran's Memorial Events and Fourth of July \$133
- Kimo Theatre – maintenance, marketing and technical services contractual funding \$100
- Funding for the Tricentennial Celebration \$100
- Lo Maduro de la Cultura outreach program – additional operating costs \$17

#### **ENVIRONMENTAL HEALTH**

- HSUS Staffing, Low Income Spay/Neuter Recommendations \$90
- Household hazardous waster contract increases \$132
- Animal Control Reserve Office Program \$20
- Engineering services for landfill methane gas \$50

#### **FAMILY & COMMUNITY SERVICES**

- APS Title I school supplies \$66
- Mental Health Services \$1,860
- Substance Abuse Services \$2,440
- Family Violence Prevention, intervention & treatment \$500

➤ Gang Intervention	\$1,200
➤ Partner with Public Education Mid School	\$700
➤ Opening Taylor Ranch Community Center	\$544
➤ Opening East San Jose Community Center	\$96
➤ Opening Mesa Verde Community Center	\$55
➤ Expand East Central MSC (Dental Clinic)	\$35
➤ LaMesa Child Development Center	\$179
➤ Manzano Mesa Child Development Center	\$298
➤ Westside Social Services Facility	\$69
➤ Community Center Study	\$50

#### **FINANCE & ADMINISTRATIVE SERVICES**

➤ Increase in fiscal agent fees	\$133
➤ Increase in Audit Services	\$20
➤ Convention Center/Tourism Management	\$2,041
➤ Citizen Services Operating Staff	\$1,908

#### **FIRE**

➤ Heavy Tech Rescue – 15 Cadets to 6 mo Firefighters	\$737
➤ Station 21 – Engine 15 Cadets to 6 mo Firefighters	\$745
➤ Station 21 – Ladder 15 Cadets to 6 mo Firefighters	\$751
➤ Land Acquisition – Station 5	\$100
➤ Landscaping – Station 21	\$100
➤ Fire Academy Renovation	\$400
➤ 3 Engines, 1 Ladder, 1 Rescue, 21 Sedans, 1 Command Veh, 3 pickups	\$2,707
➤ Purchase Various Equipment	\$1,293
➤ 6-New Firefighters for Communication and Quality Assurance	\$485
➤ 4-New Firefighters for Training	\$359
➤ 3-New Firefighters for Field Op Center, CIP Risk Safety	\$282
➤ 2-New Firefighters for Wildland Investigations and Logistics	\$189
➤ Timekeeper for Time Management Control & Contract for RMS	\$72

#### **HUMAN RESOURCES**

➤ Funding for Labor Board Meetings	\$5
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## **INTERNAL AUDIT**

- New Audit Supervisor M17 position to review audits \$73
- Funding for a new Inspector General service activity \$250

## **LEGAL**

- Creation of the Safe City Strike Force program strategy, with funding for two additional attorneys and a legal secretary \$164

## **MAYOR'S OFFICE**

- Funding to meet increased demand for service \$100

## **MUNICIPAL DEVELOPMENT**

- Construction Inspector 3 (2 positions) \$86
- Security officers (Museum and Parking) \$130
- Transfer of Parking Operations to DMD \$2,319
- Transfer of Class II work crews from Parks & Recreation Department \$1,527
- Silver Avenue medians \$9

## **PARKS & RECREATION**

- Position increase accounting assistant in Strategic Support \$33
- Funding provided for park development including two positions \$197
- Funding increased to prevent deterioration of the existing park system including funding for three positions \$178
- Irrigation Specialist II and needed supplies for water conservation \$77
- Urban Forest Initiative plus one forestry worker III \$116
- Funding increased in Quality Recreation for contracts \$121
- Position increase in Quality Recreation and funding increase in supplies \$129
- Transfer of class II crews to DMD (\$1,527)
- Four new open space ranger positions, for new bosque maintenance positions, and one new accounting aide \$371
- Funding increase for supplies, contracts, and repairs for Bosque Maintenance \$14

## **PLANNING**

- Position increases primarily in Code Enforcement \$382

## **POLICE**

- Funding for sworn officers moved from grants \$701
- Funding for 25 sworn officers authorized but not funded in FY/03 \$1,011

- Two cadet classes \$497
- Funding for two additional communication staff \$80
- Reduction of 15 police service aides (\$288)
- CIT Staff Upgrade \$46

#### Public Safety Tax Initiatives

- Cadet growth class to expand sworn personnel from 955 to 1,000 \$3,847
- Replacement of APD vehicles \$5,091
- Shooting Range facility upgrade \$191
- Law Enforcement Equipment \$500

### **PUBLIC WORKS**

- Increase the frequency of street sweeping \$260
- Capital – KIVA software and pedestrian street lighting \$175
- New positions; a Director and fiscal position \$200
- Delete two vacant positions (\$78)
- Twenty-eight positions transferred to Municipal Development (\$2,417)
- The transfer to Fund 305 for Basic Services is decreased (\$3,252)

### **SENIOR AFFAIRS**

- Palo Duro Fitness Center - personnel and operating costs \$56
- New Mexico State Senior Olympics – funding for an events coordinator \$8

### **TRANSIT TRANSFER**

- Change in General Fund Transfer (\$36)

## **NON-RECURRING APPROPRIATIONS**

One-time appropriations of \$3.0 million are listed to support the total non-recurring appropriations in the General Fund budget. Many are included in highlights already mentioned and should not be considered additive to the previous numbers. Numbers are rounded to the nearest thousand.

- Capital for the new Metropolitan Detention Center facility \$61
- Capital for Public Works \$175
- Quarter Cent Transportation Tax for design of trails \$56
- Funding for City/County Unification Committee \$100
- Eight vehicles (Planning) \$96

➤ Funding for capital purchases	\$4,703
➤ Supplies and vehicles for cadet growth class	\$2,170
➤ Replacement of APD police vehicles	\$5,091
➤ Shooting range facility upgrade	\$191
➤ Law Enforcement equipment	\$500
➤ CIT upgrade	\$10
➤ Two attrition cadet classes	\$497
➤ Computer replacement	\$2,000
➤ Balloon Museum	\$486
➤ Spanish exhibit for Tricentennial	\$100
➤ Animals of Africa	\$88
➤ State Senior Olympics – Events Coordinator	\$8
➤ Taylor Ranch Community Center	\$198
➤ LaMesa Child Development Center	\$15
➤ Manzano Mesa Child Development Center	\$30
➤ Provide Mental Health Services	\$9
➤ Funding for City/County Unification election	\$250
➤ Capital for Legal	\$7
➤ Two dixie choppers – Parks	\$23
➤ Machine & equipment for water conversions	\$28
➤ Machine & equipment for Urban Forest Initiative	\$28
➤ Four new vehicles for Open Space rangers	\$152
➤ Funding provided for dump trucks, mowers	\$110